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**UNITED STATES BANKRUPTCY COURT
 SOUTHERN DISTRICT OF NEW YORK**

)	
In re:)	Chapter 11
)	
CELSIUS NETWORK LLC, <i>et al.</i> , ¹)	Case No. 22-10964 (MG)
)	
Debtors.)	(Jointly Administered)
)	
)	
)	

**DEBTORS' STATEMENT
 REGARDING THEIR CASH MANAGEMENT SYSTEM**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) file this statement (this “Statement”) to inform the United States Bankruptcy Court for the Southern District of New York (the “Court”) and their stakeholders of the status of the Debtors’ cash and cryptocurrency management system (the “Cash Management System”) following the *Joint Statement by Treasury, Federal Reserve, and FDIC*, dated March 12, 2023 (the “Banking

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Celsius Network LLC (2148); Celsius KeyFi LLC (4414); Celsius Lending LLC (8417); Celsius Mining LLC (1387); Celsius Network Inc. (1219); Celsius Network Limited (8554); Celsius Networks Lending LLC (3390); Celsius US Holding LLC (7956); GK8 Ltd. (1209); GK8 UK Limited (0893); and GK8 USA LLC (9450). The location of Debtor Celsius Network LLC’s principal place of business and the Debtors’ service address in these chapter 11 cases is 50 Harrison Street, Suite 209F, Hoboken, New Jersey 07030.

Statement”).² More specifically, on March 12, 2023, Secretary of the Treasury Janet L. Yellen, Federal Reserve Board Chair Jerome H. Powell, and FDIC Chairman Martin J. Gruenberg jointly issued the Banking Statement, announcing that Secretary Yellen had “approved actions enabling the FDIC to complete its resolution of Silicon Valley Bank, Santa Clara, California, *in a manner that fully protects all depositors*.”³ The Banking Statement also stated that the above institutions are implementing “a similar systemic risk exception for Signature Bank, New York, New York, which was closed today by its state chartering authority. *All depositors of this institution will be made whole*.”⁴

Statement

1. Over the last 72 hours, the Debtors and their advisors have been working around the clock to ensure the Debtors’ cash holdings are safe and secure given recent events in the banking industry. The Debtors have multiple bank accounts for their fiat currency at two banks—Signature Bank and Western Alliance Bancorporation (“Western Alliance”)—both of which are authorized depositories approved by the Office of the United States Trustee for the Southern District of New York (the “U.S. Trustee”), pursuant to the *Operating Guidelines and Reporting Requirements for Debtors in Possession and Trustees* (the “U.S. Trustee Guidelines”). As authorized depositories, Signature Bank and Western Alliance are required to have at least 115% collateral for any bank account owned by a debtor in possession, such as the Debtors’ bank accounts.

² The Banking Statement is available at <https://www.federalreserve.gov/newsevents/pressreleases/monetary20230312b.htm>.

³ See Banking Statement.

⁴ See *id.*

2. The Debtors and their advisors have confirmed that their funds held at Signature Bank and Western Alliance are collateralized by at least 115% with four different depository bonds. In addition, the Debtors understand from the Banking Statement that depositors at Signature Bank have full access to their funds. As of this morning, the Debtors have not transferred funds out of Signature Bank but understand that withdrawal requests are being honored. In other words, *the Debtors' cash is currently secured*.

3. As of the date of the filing of this Statement, Debtors Celsius Network Limited, Celsius Mining LLC, Celsius Networks Lending LLC, Celsius Lending LLC, Celsius Network LLC, and Celsius Network Inc. all had bank accounts at Signature Bank, as approved by the *Final Order (I) Authorizing the Debtors to (A) Continue to Operate Their Cash Management System, (B) Honor Certain Prepetition Obligations Related Thereto, (C) Maintain Existing Business Forms, and (D) Continue to Perform Intercompany Transactions, (II) Granting Superpriority Administrative Expense Status to Postpetition Intercompany Balances, and (III) Granting Related Relief* [Docket No. 1152] (the "Final Cash Management Order"). Debtors Celsius Network Limited and Celsius Mining LLC each have one bank account at Western Alliance, which were opened on February 15, 2023, and March 13, 2023, respectively, in compliance with the requirements of the Final Cash Management Order.⁵

4. As a result of the closing of Signature Bank, the Debtors and their advisors will be evaluating when to transfer funds out of Signature Bank to other approved authorized depositories in compliance with the U.S. Trustee Guidelines. It appears that the Debtors' funds in Signature

⁵ A complete list of the Debtors' bank accounts is attached hereto as Exhibit A. Pursuant to paragraph 22 of the Final Cash Management Order, the Debtors are authorized to open new bank accounts at authorized depositories with five (5) business days' notice to the U.S. Trustee and the Committee. *See* Final Cash Management Order ¶ 22. As of the date of the filing of this Statement, the Debtors have informed both the U.S. Trustee and the Committee of the opening of the second bank account at Western Alliance.

Bank are safe, and the Debtors and their advisors will work to ensure that any transferee bank is likewise safe and secure. At this time, the Debtors are hopeful that this transition will result in minimal disruptions to operations, but such transitions may result in delayed payment processing and increased intercompany transactions as the Debtors work to open new bank accounts on an expedited basis, among other things. To be clear, as set forth in the Banking Statement, the Debtors believe that all of their requests to transfer funds out of Signature Bank ***will be honored and that no funds will be lost.***

5. The Debtors have been in close contact with the Official Committee of Unsecured Creditors and its advisors and will engage with the U.S. Trustee regarding these issues. Moving forward, the Debtors will continue to work with their advisors to maximize the safety of their cash and cryptocurrency holdings for the benefit of their estates. The Debtors will provide the Court and their stakeholders with any additional updates as necessary.

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New York, New York
Dated: March 13, 2023

/s/ Joshua A. Sussberg

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Exhibit A

Bank Accounts

No.	Entity	Bank	Location	Description	Account No.
<i>Debtor Bank Accounts</i>					
1.	Celsius Network Ltd	Signature Bank	New York	OTC	xxx0344
2.	Celsius Network Ltd	Signature Bank	New York	Operating	xxx0999
3.	Celsius Network Ltd	Signature Bank	New York	Treasury	xxx2589
4.	Celsius Mining LLC	Signature Bank	New York	Operating	xxx4445
5.	Celsius Networks Lending LLC	Signature Bank	New York	Lending	xxx5677
6.	Celsius Lending LLC	Signature Bank	New York	Lending	xxx6687
7.	Celsius Network LLC	Signature Bank	New York	Operating	xxx8569
8.	Celsius Network Ltd	Signature Bank	New York	Operating	xxx9778
9.	Celsius Network LLC	Signature Bank	New York	Collateral	xxx2073
10.	Celsius Network Ltd	Signature Bank	New York	Collateral	xxx9786
11.	Celsius Network Inc	Signature Bank	New York	Operating	xxx2597
12.	Celsius Network Ltd	Signature Bank	New York	Interest Bearing	xxx8084
13.	Celsius Mining LLC	Signature Bank	New York	Interest Bearing	xxx8106
14.	Celsius Network Ltd	Signature Bank	New York	Adequate Assurance	xxx6259
15.	Celsius Network Ltd	Western Alliance	California	Interest Bearing	xxx4497
16.	Celsius Mining LLC	Western Alliance	California	Operating	xxx9565
17.	GK8 Ltd	Bank Hapoalim	Israel	Operating	xxx8591
18.	GK8 Ltd	Bank Hapoalim	Israel	Dormant	xxx8598